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ABSTRACT

This manual is designed to assist helping professionals responsible for developing consumer education programs for older adults on the topic of consumer fraud and deception. In a modular presentation format, the materials address the following areas of concern: (1) types of frauds and deceptions such as money schemes, mail order fraud, door-to-door sales, medical quacks, phony official investigators, and home improvement/repair rackets; (2) points to remember to prevent defrauding; and (3) alternatives for obtaining legal assistance, if needed. Workshop guidelines, a program checklist, a facilitator's guide, and references are also provided. (HLM)

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CONSUMER FRAUDS AND DECEPTIONS

A LEARNING MODULE DEVELOPED BY

Fred E. Waddell

E. Thomas Garman

Ruth D. Harris

George A. Hughston

Betty C. Harrison

Consumer Education For Older Persons Project
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CONSUMER FRAUDS AND DECEPTIONS

PROJECT STAFF

Dr. E. Thomas Garman, Co-Director
Associate Professor
Management, Housing and Family Development
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Dr. Ruth D. Harris, Co-Director
Director of Family Resources
Extension Division
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Dr. George A. Hughston, Co-Director
Assistant Professor
Management, Housing and Family Development
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Dr. Betty C. Harrison, Consultant
Assistant Professor
Home Economics Education
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Mr. Fred E. Waddell, Research Associate
Management, Housing and Family Development
College of Home Economics
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Mrs. Gail F. Heikkenen, Secretary
Wallace Hall
Management, Housing and Family Development
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

ADVISORY COMMITTEE

Dr. Greg Arling, Educational Planner
Office on Aging
Commonwealth of Virginia
Richmond, Virginia

Dr. John N. Edwards, Associate Professor
Director of Graduate Studies
Department of Sociology
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Mrs. Jean Goad, Assistant State Supervisor
Home Economics Education
Commonwealth of Virginia
Roanoke, Virginia

Mr. Howard R. Gray, Assistant Professor
Department of Recreation
Radford College
Radford, Virginia

Miss Ethel L. Grubbs, Extension Specialist
Family Resources
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Miss Beth C. Jordan, Professor Emeritus
Home Economics Education
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Dr. Leroy Miles, Assistant Professor
College of Education
Virginia Polytechnic Institute and State University
Blacksburg, Virginia

Mr. Patrick O'Connor, Coordinator
Merchandise Management
Division of Business and Public Service Technologies
New River Community College
Dublin, Virginia

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I. INTRODUCTION

The project, funded by the U.S. Office of Education, focuses upon the development of low-cost consumer education and financial counseling materials to be used by paraprofessionals in leading group educational discussions on topics of particular concern to older people in different settings.

Consumer education and information efforts too often overlook this very special population. The immediate consumer problems and longer term financial necessities of those nearing retirement and those already retired are particularly unique, and older persons are especially susceptible to certain frauds and deceptions.

A. WHAT THE MODULE IS AND WHAT IT CONTAINS

A module format is used. This means that these materials are self-contained leadership presentation units. The necessary background information on the topic is contained for the leader in addition to presentation plans for leading groups of older learners. Also included are slide/tape materials and "User Guides" to assist the leader in making more effective presentation(s) to the audience.

The leadership presentation unit is on the subject of Frauds and Deceptions. It is designed to be used with the accompanying slide package and "User Guide." It also can be used without these materials. However, the presentation will likely be more effective by using the slide/tape materials and "User Guide."

The "User Guide" is an easily photocopied or duplicated one-page sheet which is designed to (1) gain and retain the interest and participation of those attending the session, (2) provide some helpful hints in avoiding consumer frauds and deceptions, and (3) list where to seek redress if they have been defrauded. It can be given to those attending a group discussion on the topic of "Frauds and Deceptions."

The "Slide/Tape" presentation is a series of descriptive slides and a cassette tape to help you, as the group leader, to more graphically present the major kinds of frauds which older persons are likely to encounter. It is designed to gain the attention and interest of the audience on the topic of "Frauds and Deceptions."

The more familiar you are with the topic of Frauds and Deceptions, the entire module, the more comfortable you will be in making a presentation on the topic and in handling any questions that are raised. The unit can be used alone as a single session, as a two-part dual session, and/or together with other units as a comprehensive treatment of consumer financial problems.

B. HOW TO USE IT

Effective use of the module can occur in one or more sessions with a group of older persons. The slide/tape presentation can be used to gain the attention of the audience and visually show some frauds and deceptions. The group leader then, of course, has the opportunity to interact with the audience in achieving the four learning objectives on frauds and deceptions (see page 9). The "User Guide" then can be used to assist in more effectively achieving those objectives by having the audience record on it during the session in addition to taking it home with them.

C. SINGLE SESSION OR SECOND SESSION APPROACH?

Bearing in mind the physical constraints of older learners, this module has been developed so that it can be used in a single session of about 30 minutes duration, or two sessions on the same topic lasting 30 minutes each (one hour total). Your task is simpler if you know in advance how much time your particular group of older learners would like to spend on the topic of Consumer Frauds and Deceptions. For example, if you know that the group prefers only one meeting on this topic, then you can use the "Single Session Presentation Plan" included in this module to guide you through the presentation. If instead they prefer two sessions on the topic, then refer to the "Second Session Presentation Plan" as your guide. In the latter you simply continue the presentation beyond the first session, covering those topics that you were unable to include earlier.

Another distinct possibility is that your group of older learners may decide that they would like to have another session on the topic. This sometimes occurs at the conclusion of a first session which was both stimulating and interesting. In this case, you may decide to invite a guest speaker to further describe other prevalent frauds in the area not covered during the initial session.

II. HOW TO USE THE MODULE

A. BASIC CONSIDERATIONS

Since the program is designed for older adults, it would be helpful to keep in mind some ideas about how older persons can be motivated to learn. Suggestions are given which may be helpful in "turning them on" about educational presentation.

There is a need today in the educational process to place a much greater emphasis upon feelings. Our educational, scientific and objective culture has played up the intellect and played down the expression of feelings. In Consumer Education, the purpose is not to dispense information, not merely to intellectualize about consumer problems and concerns, but to act upon that information in the marketplace. And people act, not according to what they know, but according to how they feel about what they know. This is the source of human motication and of changing ineffective consumer attitudes and habits.

As the session planner, you should be aware that older consumers may:

1. Be extremely limited incomes
2. Have physical and cognitive impairments
3. Have little education
4. Have other constraints such as a prevailing sense of insecurity
5. Lack confidence
6. Have uncertainty in their role as consumers in an increasingly complex and unfamiliar marketplace

Your success as the planner and leader depends in large measure on your ability to inspire self-confidence in these older learners. Several means for accomplishing this are:

1. Remind them that they have already COPED with a great many consumer and financial crises over their lives, including a major depression, and that this has given them both the knowledge and skills, as well as the courage to enable them to COPE again. Try to create a learning climate for them.

2. Provide a climate so that they will learn from each other through sharing ideas during discussion. You are going to reawaken the knowledge and skills that your group of older consumers already have, and give them the chance to share them with others. Thus, your audience become both learners and teachers as they share experiences and through your skill as discussion leader lessons can be learned from past experiences and reused today in other situations.

B. ENCOURAGING PARTICIPATION

1. Older consumers are not likely to flock to your consumer education session(s). Many will not even understand what you mean by "consumer education." Thus, you will attract many more older persons by focusing on a specific problem topic such as "How To Avoid Being Taken" rather than a course on "consumer education" or on "consumer fraud."

2. It will take considerable imagination and hard work to reach the older persons who need and who will benefit most from the session. Successful attendance is helped by "one-on-one" or personal contacts, including a reminder the day before the session.

3. Your sessions should be provided in a location that is both accessible and convenient to the older persons that you are trying to reach.

4. Sessions should be provided in a location that is safe, during the daytime, and comfortable.

5. You may have to help arrange transportation for them.

6. Use the "Program Checklist" provided on pages 7 and 8 as a guide for making the arrangements.

C. OLDER PERSONS AS LEARNERS

1. Since older persons do not like a formal classroom atmosphere, every effort must be made to provide as informal a setting as possible. If the sessions can be combined with an opportunity for socializing, so much the better.

2. The session must be planned to:
   a. be short, fast moving--don't remain too long on a given approach such as slides, talk, etc.
   b. provide ample opportunity for participation of those present.
   c. provide for flexibility in case the group shows signs of tiredness or boredom.

3. Older persons have considerable experience upon which to build. Your success and resourcefulness as an educational leader will be determined by how skillfully you are able to "tap that experience" and enable them to "learn from each other." Make them part of the teaching process, not just passive recipients of information.

4. Many older persons attend such sessions with a particular problem in mind. Thus, the leader must be flexible enough to allow those problems to be aired and to use them as a basis for discussion of the topic wherever possible. People learn by doing, particularly older persons. Therefore, use realistic problems and concerns.

5. Look for ways to be imaginative and creative in generating interest in and participation of older persons and to encourage their continued interest in the topic after the initial session has ended. Remember, if you have highly interested and motivated those attending, they will, on their own initiative, often try to learn more about the topic and to apply the information to their daily lives.

6. The learning process for older persons is much slower than for others. They may have a physical condition, such as arthritis, cataracts, or hearing problems which prevent them from responding as quickly as you would like them to. Pacing of information given and responses received, answering questions, filling out forms, etc. will be much slower.

7. Do not appear condescending or patronizing. Remember that while older people may respond much more slowly than others, they are more deliberate and many have maintained their mental agility and keenness over the years.

8. Make it fun. Remember, they have earned the right to live as they please at this time in their lives. They will learn--if they want to--and you can't teach them unless they want to learn.

9. Any testing should be self testing, and they must be assured that they are not being "evaluated" or "tested" in which they might reveal public ignorance of a topic or the ability to write.

D. GENERAL SUGGESTIONS FOR LEADING THE DISCUSSION

1. The most important factor in obtaining spontaneity and participation is your ability as a session leader to generate "trust" within specific groups of older persons. They will not participate unless they feel at ease.

2. Before older people will listen, they first must be listened to.

3. Older persons often have hearing problems. Therefore, the discussion leader may at some point ask the group to speak louder even if the room does have good acoustics.

4. When asking about a personal experience, ask them to include not only what happened, but how they felt about what happened.

5. This educational module includes a series of lead or pump priming questions. Do not feel bound to use them all; however, stay with any lead question that has created the spontaneity and response which seems to be self-perpetuating and productive on the topic.

6. While trying to evoke problems, concerns, obstacles, uncertainties and fears of participants, discourage counter-productive bitterness, criticism, moralizing, sermonizing, intellectualizing, and advice giving, and going off on tangents not related to the topic.

7. Be very alert to the faces of participants; hold down those who would monopolize the discussion, while looking for an opening or spark of interest to involve those who have been silent. However, one should never be forced to share or participate.

8. Be alert to look for "bridges" or means of relating personal stories and anecdotes to the topic under consideration.

9. "Art of Weaving." Pick up a thread for the next point from something said on a prior point stated in the group. Timing is important here; move it along without rushing it.

10. "Trust the group." Value spontaneity--trust a deep-centered desire for most older persons to actively participate if given the chance.

III. PROGRAM CHECKLIST

This "Program Checklist" is provided to help you plan the scheduling site location, publicity, transportation, and other arrangements for the session. Some of these suggestions may not be applicable to your particular group setting, so ignore those that do not apply.

	Check One	
	Yes	No
A. Scheduling:		
1. Did you check the local community schedule of activities and your own agency's calendar in order to avoid conflicts of dates?	___	___
2. Have you selected the date, the program topic, and estimated the size of the group?	___	___
B. Site Location:		
1. Is the place (meeting site) in an area that is safe, easily accessible, with convenient parking facilities?	___	___
2. Do those who will attend the program clearly understand the date, time, place, and the room where the program will be offered? (Including clear directions, a map, and signs inside the building?)	___	___
3. Is the selected room large enough without being too large?	___	___
4. Is the room comfortable (heated in winter, cooled in summer?)	___	___
5. Is the meeting room private and away from the noise of other possible activities?	___	___
6. Has seating been arranged before the meeting to accomodate the expected number of persons?	___	___
7. Have necessary arrangements been made and confirmed with janitorial or custodial services to ensure that the building and room will be unlocked, heat or air conditioning turned on, and for locking up afterward?	___	___
C. Publicity:		
1. Contact local newspapers. The society page is usually the easiest and best place to obtain publicity at no cost. Have the press release hand carried to the editor for best results.	___	___
2. Have announcements of the program been placed in local newspapers well in advance of the program and again within a week of the program as a reminder?	___	___
3. Have announcements of the program been placed in appropriate newsletters or other notices mailed to members or clients?	___	___
4. If any problems arise while at the program, do you know the name and telephone number of the appropriate person to contact?	___	___

D. Registration:

1. Have participants been registered in advance identifying their name, address, and telephone number?	___	___
2. If you plan to use name badges, have these been prepared in advance and additional badges made available for those who register at the program?	___	___
3. Should someone become ill or injured, are you thoroughly familiar with the location of the closest hospital and the best route to this hospital?	___	___
4. Do you have the number of emergency ambulance or rescue squad service?	___	___

E. Transportation:

1. Would the local transportation company be willing to provide transportation for participants?	___	___
2. Are buses available from the local public school system or churches for transportation of your group?	___	___
3. Are other transportation facilities available from the local senior citizen center or other agencies?	___	___
4. Is renting a bus desirable and/or possible?	___	___

F. Hospitality:

1. Are refreshments available before or after the program?	___	___
2. Has ample time been provided for refreshments and socializing?	___	___
3. Are the refreshments simple and easy to serve?	___	___
4. If refreshments require the use of kitchen facilities, are such facilities available?	___	___
5. Has someone volunteered to help with refreshments and hospitality?	___	___

G. Equipment and Materials:

1. Is the room so large that a microphone will be necessary? If so, has one been provided and tested beforehand?	___	___
2. Are enough user guides available for all of the participants expected?	___	___
3. Have you arranged for previewing the slides and tapes?	___	___

H. Day of Program:

1. Have one or more persons been assigned to greet persons at the door?	___	___
2. Have participants been thanked at the end of the program?	___	___

IV. LEARNING OBJECTIVES

The participants should be able to:

1. Be aware of the most prevalent types of consumer frauds and deceptions which prey on older persons.

2. Understand the appeals and approaches used by prevalent types of consumer frauds and deceptions preying on older persons.

3. Know where, when and how to avoid frauds and deceptions.

4. Know where, when and how to seek help (redress) if they feel that they have been already victimized by a consumer fraud or deception.

V. BACKGROUND ON CONSUMER FRAUDS AND DECEPTIONS

Fraud can be defined as "deliberate deception to cause a person to give up property or some lawful right." Consumer fraud is deliberate and illegal deception of consumers by sellers, manufacturers, or other persons. Closely related to illegal fraud is "deception" in which consumers are intentionally deceived or misled about the value or characteristics of the product or service which they are buying.

Consumer fraud and deception can occur in any business transaction and everyone will at some time in their lives become a target for the "con" artist or "swindler." It occurs so often and unnoticed that it has become very difficult for the average consumer to identify what practices are fradulent and to prove that the fraud has actually occurred. According to a Presidential Crime Commission, although fear of crime is one of the main worries of many older persons, consumer fraud creates more annual dollar loss than the total of burglary, robbery, larceny and auto theft together.

Consumer frauds range from small ones which take whatever money people have on them at the time (called the "little con") to those frauds which take substantial sums of money and sometimes entire life savings (called the "big con"). They range from small ones such as the mail order advertisement which stated: "if not satisfactory, your money will be refunded." When the item was returned and a refund requested, a form letter was received stating, "Your money is perfectly satisfactory and will not be refunded." Other kinds of fraud, such as land sales and investment frauds are so severe that they often take everything a person has worked and saved for and leave the person penniless.

What kinds of frauds are most prevalent? How do they operate? How can you get help if you think that you have been victimized? How can we identify and protect ourselves from them? This is the subject of this module on Consumer Frauds and Deceptions.

Most Common Frauds and Deceptions Affecting the Elderly

A. Bank Examiner Scheme
B. "Pigeon Drop" Scheme
C. Land Sales Frauds
D. Pyramid Promotional Schemes
E. Door-To-Door Sales
F. Mail Order Frauds
G. Dance Lessons and Health Spas
H. Medical Quackery
I. Hearing Aid Racket
J. Phony Official Investigator
K. Home Improvements and Repairs Schemes

The examples given in the fraud descriptions which follow are true. The names of the victims and the places have been changed to protect their true identities.

A. BANK EXAMINER SCHEME*

Description

A person posing as a "bank examiner" involves innocent consumers in schemes to steal bank withdrawals from them.

The phony bank examiner telephones a consumer seeking assistance in catching a bank teller that is suspected of being dishonest. Since the consumer feels a duty as a citizen to help capture this offender, he or she willingly follows the instructions given by the "bank examiner." The victim is warned that the success of the investigation depends on his or her remaining silent, following instructions exactly and above all not contacting anyone about the investigation.

The "bank examiner" instructs the consumer to go with him to the bank where the so-called dishonest teller works and to make a sizeable withdrawal of money at that teller's window. The consumer then gives the money withdrawn to the "examiner" for counting. Before the consumer realizes what has happened, the phony examiner has disappeared with the money, handing the victim a phony receipt.

Examples

Irene Campbell, an elderly Lynchburg resident, received a telephone call from a man claiming to be a "bank examiner" stating that he knew her to be a patron of his bank. He asked her to assist in the apprehension of a dishonest teller by accompanying him to the bank and withdrawing $500 from her savings account. Mrs. Campbell agreed to this, withdrew the money and handed it to the "examiner" to count. But, with a sleight-of-hand, the examiner quickly stuffed the bills into his coat pocket and ran out of the bank. Mrs. Campbell was too startled to cry "thief" until after he was already out of sight. The "examiner" was nowhere to be found and neither was her $500.

John Bowman entered the bank and was approached by a man claiming to be an undercover bank examiner. The man quietly asked Mr. Bowman if he would go withdraw a sum of money from a certain teller as they suspected the teller of withholding funds. The "examiner" reminded John to be very secretive about this transaction. Bowman withdrew $1,000 from his savings account and returned to the "examiner" to have the money counted. The "examiner" took the money and wrote John a receipt for it. He thanked him for helping in the investigation and told him to return to the bank the next day, after they had apprehended the teller, and cash in the receipt to get his $1,000 back. John went home and returned to the bank the next day. When he tried to cash the receipt, a bank official told him there had been no such investigation and the receipt was a fake. Mr. Bowman had lost his money completely.

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*The examples given on this and subsequent frauds are true. The names of the victims and places have been changed to protect their true identities.

Tips for Prevention

Never withdraw large sums of money from your bank without first discussing it with your banker, and tell him the intended purpose or use of the money. He will usually be able to spot any illegal attempts to victimize his depositors.

Redress

If you think that you have been victimized or even approached in this way, speak with your banker immediately, and then call your local police department and ask to speak with someone in the "bunco squad," the chief of detectives, or a police lieutenant.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

B. "Pigeon Drop" Scheme

Description

This con game is a form of outright theft, taking large sums of money from unsuspecting consumers through purposely involving them in a "lost and found" incident.

There are several ways to "pull off" this scheme, but the scheme usually requires two operators. The first "con artist" involves the victim in a polite conversation while waiting for the second "con artist" to appear. Often one of these is a woman. The second "con artist" pretends to have found a large sum of money in a paper bag or envelope, and attracts the attention of the first con artist and the victim. The three try to decide what to do with the money. One of the "con artists" claims to know an attorney and pretends to go seek his advice.

The "con artist" returns from the "attorney" (who really does not exist) and reports that they can keep the money. He adds that it would also be wise for each of them to put up a sum of money in "good faith" in the attorney's safe. This is to protect them if someone learns of their finding the money. Each of the con-artists pretend to draw the money from their savings accounts and then accompany the victim to his bank to do likewise. The victim usually turns over the money for one of the con artists to take to the attorney. Later the victim finds out that there was no attorney and that his money is in the pockets of the not-to-be-found operators.

Examples

Roger Dawson was sitting in the park when a man calling himself Ed White approached him and began chatting. Soon their attention was turned to the excited cries of a man close by. This man, Sam Johnson, said he had found $30,000 in a paper bag under a bush. He assumed the money had been gained by illegal means. He said that since they were in this "together" they must decide what to do. Johnson said he worked for a lawyer and he would go ask him for advice. Upon return, Johnson reported that they could split the money, but they must each put up $3,000 in the lawyer's safe as security. Johnson and White went to their respective banks and purported to draw out $3,000 each. They returned and escorted Mr. Dawson to his bank. He withdrew the $3,000 and it was placed in the envelope with the rest. Johnson volunteered to take the money to the lawyer while White and Mr. Dawson waited outside. When Johnson returned he told Mr. Dawson the lawyer wished to speak to him. When Mr. Dawson entered the building he found the lawyer and the whole deal was a fake. He quickly returned to the outside only to discover that Johnson and White had fled with his money.

A similar incident happened to a 75-year-old widow in Roanoke. The widow lost $1,000 of her savings in a similar "pigeon drop" involving two young women. She felt the situation was too embarrassing to report. But two weeks later she received a telephone call from a man claiming to be a member of the police department. He reported that the two women had been found and were in custody. He further said that it would cost $5,000 to "make sure" that the women were convicted. The two men later arrived at her home to escort her to city hall to "confront the two women in custody." On the way, they stopped for her to withdraw the $5,000 from her bank and gave her a large envelope in which to put the money. One of the phony law officers held the envelope on the way to city hall. After entering the building, the widow was told by the two men to take the envelope and "see Lt. Robinson on the second floor" while they checked on another case in the courtroom on the main floor. The widow climbed the stairs in search of "Lt. Robinson," only to find no such person existed and when she peered into the envelope she found the phony law officer had switched envelopes on her leaving her with cut-up pieces of blank paper. She hurried back downstairs only to find the two thieves had fled the building. The widow had become the victim of "double drop," an added and unfortunate twist to the "pigeon drop."

Tips for Prevention

Never withdraw large sums of money from your bank without first discussing it with your banker, and tell him the intended purpose or use of the money. He will usually be able to spot any illegal attempts to victimize his depositors.

Redress

If you think that you have been victimized or even approached in this way, speak with your banker immediately, and then call your police department and ask to speak with someone in the "bunco squad," the chief of detectives, or a police lieutenant.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
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C. LAND SALES FRAUDS

Description

Many people are cheated out of their life savings by foolishly buying vacation or retirement sites they have never seen. Land sales frauds cost Americans well over $10 million every year. Often the deal sounds so inexpensive and luring that people are easily pressured into buying sight unseen. What is advertised to be a "Happy Acres" or a "Paradise Gardens" turns out to be a swamp, desert, side of a mountain or it is located miles from any main roads, without utility connections, and without any prospect of being developed or made livable. The "promise" of future development of the area is supposed to make the land a "surefire investment" that will "double in value in a short time."

Frequently consumers receive in the mail brochures describing such "opportunities of a lifetime," and are invited to attend a "free banquet" to look at slides or movies of a so-called "sure fire investment opportunity." The dinner may be the most expensive one of the consumer's life. Many people seated at the banquet table are paid salespersons pretending to be married couples. They are known as "shills." After the pictures or movies have been shown, and after the salesperson describes now fast the land will grow in value, that it is a "surefire investment," is "going fast," and that if you wait the price will go up tomorrow since this is a special "one-time offer." Then the "shills" in the audience jump up and begin what appears to be investing in the land, creating a hysteria for everyone to buy.

Examples

The Hilton family proudly purchased Florida vacation land at a "bargain" price from a realtor who had visited Mr. and Mrs. Hilton at home. Mr. Hilton, realizing that land at this price was hard to find, closed the deal that very day as the photographs and slides of the land were very convincing. That spring the Hiltons traveled to Florida to visit their property which was described as "5 miles from Rainbow City" only to find that "Lakeside Estates" were surrounded by miles of impassable swamp with one road leading some 43 miles to the nearest town. The lots were such that building a home would require quite expensive engineering. So, in effect, the land was useless to the family and a total loss. In spite of this, they had to continue making payments for another 2½ years to purchase the product or face court action.

Tips for Prevention

1. Always personally visit any land you expect to buy, whether vacation or retirement property.

2. Consider the use you will get from the land, rather than its value as an investment.

3. Always have an attorney read over any sales contract or "letter of intent" before signing it.

4. Study the property report which Federal law requires to be made available to the buyer (or have your attorney review it) for:

   a. Mortgages and liens
   b. Taxes and assessments
   c. Completion of proposed facilities
   d. Ownership of common facilities

5. Contact the proper state agency in which the land is located, or the Department of Housing and Urban Development, Office of Interstate of Land Sales Registration, Washington, D.C. 20411, and ask about the seller of the land as well as the particular land itself.

6. If the deal sounds too good to be true, it probably isn't true.

Redress

If you have already invested money in property, sight unseen, and feel that you have purchased worthless land in this manner, call the offices mentioned above in item No. 5.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

3. Department of Housing and Urban Development
   Office of Interstate of Land Sales Registration
   Washington, D.C. 20411

D. PYRAMID PROMOTIONAL SCHEME

Description

Pyramid schemes involve investment opportunities which promise a very high yield and a quick return. They may promise a "once in a lifetime" opportunity or the chance to "get in on the ground floor." The pyramid scheme is a business variation of the chain referral deal. A consumer is offered a chance to "invest" by purchasing a number of distributorships to sell a certain product. He is also given the right to sell these same distributorships to others and to receive half of their profits. This entices the consumer to invest since he figures that his investment will pay for itself quickly and bring in additional high profits.

In a pyramid promotional scheme, or multi-level distributorship, individuals "invest" up to $5,000 to become distributors of a variety of products and services. The most prevalent examples are cosmetics and beauty aids. The company's representative, who is a "distributor," will hold "opportunity meetings" where potential victims are told stories of how a "distributor" can easily earn $30,000 or more in his spare time for an initial "small investment." Potential victims are told that all a distributor has to do is recruit other people into the program to sell the products. The distributor is supposed to make money both from his own recruits and from the recruits that his recruits bring into the program. Wild claims are made that "everyone has an equal chance for success and the advertiser claims an unselfish motive for sharing his "success," e.g. "if I can do it, so can you."

Once a person becomes a distributor, instead of earning large sums of money as promised, he may find himself with a garage full of a product which he cannot sell.

The bottom eventually falls out of these investment deals. The investors concentrate on selling distributorships rather than the product. The pyramid builds so quickly that you soon run out of investors. The chart below shows what happens when six distributorships are sold and each of those sell six more in turn. Those at the top of the pyramid will receive money quickly but those nearer the bottom find it impossible to profit so that the investments eventually dwindle and the deal falls through. Virginia law prohibits such pyramid promotional schemes.

Months	Participants
1	6
2	36
3	216
4	1,296
5	7,776
6	46,656
7	279,936
8	1,679,616
9	10,077,696
10	60,466,176
11	362,797,056 (Exceeds U.S. population)
12	2,176,782,336
13	13,060,694,016 (Exceeds World population)

Example: One of the well-known examples of the pyramid distributorship deal was that of Holiday Magic Cosmetics. This firm held "opportunity meetings" at which they used high pressure appeals to encourage consumers to become representatives. There were four levels of distribution in the Holiday Magic deal. The fourth level, the general distributor, promised earnings of at least $25,000 a year. To reach this level the consumer had to invest at least $5,000 in cosmetics to resell to sub-distributors. The company handled all transactions on a cash basis and the investors were required to sign a contract relieving Holiday Magic of any guarantees of profit. Hundreds of consumers fell into this deal and signed such contracts. Soon there were more distributors than there were salespersons to push the cosmetics. Thus the investors were left with basements and garages full of these cosmetics and empty pockets. One man and his brother and sister invested $18,000 in Holiday Magic. After 6 months they had made only $147. This firm was charged by the Federal Trade Commission with unfair and deceptive merchandising and investment misrepresentation.

Tips for Prevention

1. Beware of an "opportunity" which emphasizes:

   a. Very high yield in a very short time
   b. That a profit is "certain"
   c. That this is a "once-in-a-lifetime" opportunity
   d. That if you don't act now it will be too late or that the price will have gone up tomorrow

2. Don't hurry. It is a common sales technique to make every deal sound like a once in a lifetime opportunity that won't be here tomorrow, and to try to get your name on a contract at the first meeting. Don't hurry. Give yourself time--time to look around, to check with someone, and to think about the deal. This will eliminate much impulse buying upon which fraud depends and help prevent you from making a costly mistake.

Redress

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address
   and Telephone Number)

E. DOOR-TO-DOOR SALES

Description

There are a few companies which sell door-to-door which have been established for a long time and which are quite reputable. Among these are Avon Cosmetics, Stanley Home Products, Fuller Brush Products and others.

Most not so reputable door-to-door salespersons use various techniques of high pressure selling to persuade consumers to buy products that they do not need or will likely never use. Often these products are over-priced, of poor quality, or are ordered and not received.

Books, magazines, encyclopedias, Bibles, sewing machines, vacuum cleaners, and other household gadgets are favorite products of door-to-door salespersons. These salespeople use free demonstrations or samples, intense emotional appeals, sympathy plays, flattery and compliments, extreme friendliness, and hard-sell sales presentations to persuade consumers into buying. Some salespersons pose as a survey taker and use the information obtained to either get their "foot in the door" or to set the consumer up for a visit from a hard-sell salesperson.

Consumers fall for the sales tactics and make these purchases hastily without giving due consideration to the use, need, price and quality of the product. Contracts are signed without reading full details and consumers are often unaware of their legal rights pertaining to door-to-door sales. Therefore, consumers are cheated out of many dollars by purchasing poor quality, high-priced, or unnecessary items. Contracts are signed for magazine subscriptions and book clubs that far exceed the reasonable time lengths consumers would ordinarily wish to receive such materials. Sometimes these materials are paid for and never delivered. By committing themselves to long term credit payments, this additionally raises the cost of the product.

Consumers do not realize that, according to Virginia law, any purchases of over $25 made from a door-to-door salesperson can be cancelled within three full days (not counting Saturday and Sunday) after the purchase was made. When the consumer notifies the company in writing of his desire to cancel the contract or purchase, the salesperson has ten days to refund all money and/or trade-ins and the consumer has twenty days to have the item(s) available to send back to the salesperson.

Examples

Marilyn Day answered the doorbell one morning to find a handsome young man wishing to show her samples from a set of encyclopedias. She invited him in and he explained to her the fine quality of the books. He pointed out the many uses that he was sure her intelligent grandchildren would find for the encyclopedias. Along with the books, she would receive a dictionary and five yearly supplements to the set. This offer was for a limited time only. Becoming more and more convinced, Mrs. Day asked the salesman a few questions about himself. He claimed to be working his way through college and was really in need of customers for his fine educational product. This was the clincher. Mrs. Day could not resist the deal and also the opportunity to help him and signed a contract for the books to be shipped to her. Mrs. Day had no previous intentions of purchasing encyclopedias and had not discussed the matter with her children or the grandchildren. In the months to come, she found her grandchildren used the encyclopedias provided by their school instead of the ones at home just about every time they ever needed them. Later, the first yearly supplement arrived and she found herself being billed $20 for the book. In comparing prices paid by another neighbor, she found she had paid $300 more than the set was actually worth. Making such a hasty and uninformed purchase was truly a mistake but is a very typical situation.

Another housewife permitted a salesperson to demonstrate a new model sewing machine for her in her home. The machine was a deluxe model, sewing buttonholes, appliques, monograms, decorative stitches and more. The salesperson made it all look so simple that she could not resist the temptation to have one of her own. He also assured her that she was getting an excellent deal on the machine as she had been one of the housewives especially selected for him to visit. One of the conveniences of the purchase, he said, was that she could call him back to her home for repairs any time. Indeed she could, and did. On the average of once a month the machine needed minor repairs and adjustments, each costing her from $15-$25. So, she hadn't purchased such a great machine and neither had she gotten a "good deal" on it. The difference was soon made up in repairs.

Tips for Prevention

1. Beware of salespersons who:

   a. Are extremely friendly and/or flattering
   b. Try to get your sympathy
   c. Use high pressure sales tactics
   d. Pretend to be taking a survey
   e. Claim that you have been "especially selected" for the offer
   f. Claim that the sale is a once-in-a-lifetime opportunity

2. Buy only what you need and only when you need it.

3. Buy from someone YOU choose; someone you know or who works for a company or store you trust.

4. A door-to-door salesperson must tell you of your right to cancel and give you a copy of anything that you signed in your home.

5. The notice of your right to cancel must include the same language used by the salesperson in talking to you, be dated, and show the name and address of the seller, and contain the following statement:

   "YOU, THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT."

6. If you want to cancel the contract:

   a. Read the Notice of Cancellation
   b. Detach, sign and date one (1) copy and SEND it to the seller within three (3) business days
   c. KEEP one (1) copy and your contract for your records

7. If you cancel, the seller must within ten (10) days:

   a. Refund all your money
   b. Return any goods or property traded in
   c. Cancel and return any documents that you've signed
   d. Tell you if they will pick up or let you keep anything left with you

8. Within twenty (20) days if he has left goods with you, you must have the item available for him in the same condition as you received it, or if you agree, ship the item.

9. The seller must pick up the item or pay return shipping charges.

10. This right to cancel does <u>not</u> cover the following transactions:

    a. Total sales under $25.00
    b. Orders placed at the seller's address
    c. Sales made entirely by mail
    d. Some "emergency repairs" sales
    e. Real estate, insurance or securities sales
    f. Some other home repair sales

11. In summary--THINK.

    a. Think it over. Talk with others. Compare buys.
    b. Do you really need it? Now? At this price?

Redress

If you have purchased something from a door-to-door salesperson and wish to cancel the deal and receive your money back, follow the above procedures.

If more than three days have elapsed and you have not yet received the merchandise at the time stated, first contact the business firm that sold you the merchandise and pin them down as to exactly when you will receive it.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963
2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

F. MAIL ORDER FRAUDS

Description

Older people rely on mail order buying more than any other group of citizens. While many mail order businesses are legitimate, some are not. Mail order problems cause more consumer problems for senior citizens than anything else. Aside from frequent problems of "no delivery" or "late delivery" (often as much as six months late), receiving the wrong merchandise or defective merchandise, some mail order promotions are outright frauds.

Some of the most common mail order frauds are the following:

1. Business opportunities. Complete with promises of high profits and guarantees of success, senior citizens are frequently invited to invest in worthless distributorships, franchises, vending machines or job opportunities in the hope of expanding or supplementing their retirement income. Such promises for "Getting rich quick," or that "Anyone has an equal chance for success," or "If I can do it, so can you" should warn persons that the scheme is probably not legitimate. People have seen their savings disappear overnight by someone who promised that they could make "extra money" with "little effort" in their "spare time" on just a "small investment." In the last two years the Postal Inspection Service completed 318 such investigations of these schemes resulting in the elimination of 104 business opportunity schemes.

2. Work at Home Schemes. These schemes usually are advertised in newspapers and magazines and promise an opportunity to supplement income by working at home. The purpose of such schemes are merely to sell worthless merchandise or materials. The most common work-at-home scheme is that which advertises the possibility of earning a substantial income by stuffing and addressing envelopes. Sometimes the ads claim that they will buy back from you whatever you make or do. However, the catch is that before they will purchase what you make, the item you make at home must be up to their standards, and it never is. During the last two years, the Postal Inspection Service conducted a total of 317 such investigations, resulting in the elimination of 211 work-at-home schemes.

3. Chain Referral Schemes and Chain Letters. Chain referral schemes involve fast talking door-to-door salespersons passing off desirable but grossly overpriced merchandise and home improvement items by claiming that they will actually cost nothing. Victims are told that by supplying the names of friends and acquaintances they will earn commissions which will be applied to the purchase price of the merchandise. Not until they have signed sales contracts and financing statements do the victims realize that they are obligated to pay for merchandise which they probably can't afford. Chain letters which request money or something of value

violate postal law and state lottery laws. The individual participant's hope of return is usually based upon thousands of additional mailings and the chain remaining unbroken. Chain letters promise the possibility of large financial returns for a small investment. Sometimes a friend or neighbor may ask you to participate in a chain letter and ask you, as a personal favor, not to break the chain. You should advise them that this is illegal and will not earn them any money.

4. Publishers of Songs, Stories and Books (For a Fee). These are advertised in newspapers, magazines and on radio and promise to publish your song or book for a fee. You will be required to sign a contract and to put up the money for printing, binding, promotion and other costs in advance and there will be no guarantee of circulation or income.

5. Social Referral, Dating, and Marriage Brokers. These are schemes which seek out the lonely and the elderly, the widow and the widower and lure them into paying big fees for introductions to new friends or possible mates. If you are a victim you may pay as much as $250 to $300 for annual memberships in groups that offer limited, if not utterly worthless, services. The number of lonely people who want to meet others provides a large market for organizations offering memberships and mailing lists under the guise of lonely hearts clubs or social clubs. In some instances the mailing lists furnished by these clubs have been used to solicit funds for various reasons. For example, a man might solicit expenses for travel from a woman with the promise to join her, and then never show up (or vice versa).

Tips for Prevention

Be particularly suspicious of any mail order promotions which:

1. Are advertised in newspapers, magazines, radio or television and have a P.O. Box number instead of a street address to write to.

2. Promise you that for a "small initial fee" you can earn much more in just a short period of time by investing in or purchasing the item.

3. Comparison shop to make sure you are getting the best buy. Check local stores as well as other mail order firms to compare prices.

4. Check with friends about their experiences with the company; find out if it is reliable.

5. Keep a copy of your order and the advertisement you are answering.

6. If there is a guarantee offered, check its provisions before you order (for example, who pays the postage for returning the merchandise to the firm).

7. Keep a record of the mail order company's address.

8. Pay by check or money order. NEVER send cash through the mail.

9. Under a new Federal Trade Commission ruling, a mail order company must ship any goods that you order within 30 days of receiving a valid order, or within the time disclosed in its advertisements. If it can't, the company must offer the customer the option of a refund.

10. You must then let the company know if you prefer to wait longer than the 30 days or get your money back. If the goods have not been delivered during this second waiting period, the order is automatically cancelled and a refund given unless the customer notifies the company of a willingness to wait even longer. You retain the right to cancel at any time before shipment however.

11. When a buyer pays by cash, check, or money order the refund must be made within seven days of the customer's request for it. If a credit account was used such as Master Charge or Bank-Americard, for example, an adjustment (deduction of the cost of the item) must be made from your account within one billing cycle. The company MAY NOT limit refunds to credits or vouchers redeemable only with the company for other merchandise.

12. These new regulations do not cover the following transactions:

    a. Services connected with merchandise such as mail order photo finishing.
    b. Magazines and other regular deliveries such as booksets, except for initial shipment.
    c. Seeds and growing plants.
    d. Orders made on collect or delivery (C.O.D.) basis.
    e. So called negative option plans, principally books and records.

Redress

If you think that you have been solicited personally by one of these mail order frauds, if you spot one in a newspaper or magazine ad, contact your nearest Postal Inspector (find out who he is and how to reach him by phoning your local post office) or write to:

Chief Postal Inspector
U.S. Post Office Department
Washington, D.C. 10260

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Federal Trade Commission
   Bureau of Consumer Protection
   Washington, D.C. 20580

3. Your Area Agency on Aging
   (See Appendix for Address
   and Telephone Number)

3. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

G. DANCE LESSONS AND HEALTH SPAS

Description

Older people, often out of loneliness, are attracted by advertisements for dance lessons or health spas. Such ads promise that through dance lessons or by "toning up sagging muscles" life can be "exciting" again, and that you will have a chance to "meet new people." Instructors sometimes offer a free figure or dance analysis and lessons to convince them of the need for the lessons or sessions. Through flattery, such places sell expensive contracts for dance lessons or contracts for muscle toning sessions or beauty treatments.

Quite often people tire of the sessions long before the particular series of lessons or sessions are completed. You can never get your money back because you have signed a contract. When the first series of lessons begin to run out, the "instructor" will give you a "dance analysis" that finds you "qualified" to take more lessons. Dance contests are held, and, of course, everybody wins, particularly if your contract is about to expire and they want you to sign a new one. Health spas will flatter the consumer with an award or with photographs that purport to show the "terrific improvements" that the consumer has made.

Examples

Maude Price, 65 years of age, enrolled for a $20 two-week dance course at "Alberto's School of Dance." At the completion of the lessons, the instructor had a dance contest for the students. She was one of the "lucky" persons that the instructor said had real talent. Taken in by this, Miss Price signed a credit contract for $350 for an additional six months "advanced course." She was surprised to find that most of their class had been "promoted" to the advanced class as well. When the lessons in the advanced course were about to run out, another contest and party were held. She "won" the "golden slipper award" which gave her a "discount" on the "master's course" which cost $1,000. It was then that Maude Price became aware that her instructor "Alberto" was interested only in her money.

Mabel Smith, age 64, saw an advertisement for exercise lessons at a local health spa that guaranteed to "tone up sagging muscles so that life can be an exciting adventure again." A free physical fitness analysis was offered. Mabel visited the health spa. While there she was weighed, measured, and photographed. The instructor said that with a little work she could be a "new person." In dreamy excitement she signed a contract for one year of weekly sessions for $400. After a few weeks she realized that she could just as easily continue the exercise program on her own or enroll in a course at the city recreation department but the $400 was not refundable. At the end of the year the instructor compared new measurements and photographs to convince her of the improvements she

had made. Since Mabel had already decided to end the sessions, she did not buy the bargain offer for additional sessions. She saw through the plan and didn't want to get "bit" twice.

Tips for Prevention

1. A better alternative would be to take advantage of the dance classes or figure toning classes offered by your community recreation department, programs at your senior citizen center, YMCA or YWCA. The quality of instruction is just as good, you will have just as much fun, and it will cost you much less.

2. Beware of advertisements for "free gifts" or "free lessons" or "free analysis."

3. Carefully read any contract before signing. Know how many, how long, and at what price lessons or sessions you are getting. Understand under what conditions any refunds are available.

4. Don't hurry. It is a common sales technique to make every deal sound like a once in a lifetime opportunity that won't be here tomorrow, and to get your name on a contract at the first meeting. Again, don't hurry. Give yourself time--time to look around, to check with someone, and time to think about the deal. This will eliminate much impulse buying upon which fraud depends and help prevent you from making a costly mistake.

5. Beware of "too-good-to-be-true bargains" and promises. If it sounds too good to be true, it usually is.

Redress

Contact the dance studio or health spa and ask for a refund of your money.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

H. MEDICAL QUACKERY

Description

The hallmark of the quack is fraud. Surely no form of deception is as cruel as that kind which not only takes the money of the victim, but all too frequently his health or life.

1. Any person who guarantees to be able to "cure" a disease should be considered as suspicious. Thus, any high pressure advertising which even uses the words "cure" or "miracle results" is indicative of, at best, an unethical practitioner or, at worse, an out-and-out "quack."

2. A statement indicating that the practitioner has a secret formula or a special treatment known only to him should arouse suspicion. The usual claim of the quack is that "the American Medical Association prevents this effective form of therapy from being made generally available to the public." Such advertising is often accompanied by fake testimonials of cures or miraculous results.

3. Responding to an advertisement will often lead to exposure to quackery. Licensed physicians are not permitted by the ethics of their profession to advertise their services in any way.

4. Great success by quacks is achieved through direct mailing. Retired people and others in senior citizen groups are especially vulnerable to "cures" promoted through the mails. Elaborate schemes are used for getting the victim to purchase all sorts of cure-it-yourself plans and devices.

5. Food fadism and false nutritional therapy are special kinds of quackery that flourish in cults, and are supported by some organizations. While it is true that a proper diet may be of value in disease prevention and treatment, vitamins, special foods and a dietetic regimen are safest when prescribed by a physician.

Those who rely on advertising and on self-diagnosis and treatment run the risk of not getting proper medical care where such is necessary to save or prolong life.

Tips for Prevention

1. An accurate diagnosis by a qualified physician is the best defense against medical quackery. Once the cause of the illness is determined, appropriate therapy will be recommended by the physician or there will be referral to a specialist. This diagnosis and recommendation may then be checked by going to a second or even third physician.

2. Anyone who is ill may call the "referral service" of his local County Medical Association. That service will provide the names of several qualified physicians.

3. Don't fall for claims for an absolute "cure." Elderly epople and sufferers from such diseases as rheumatism, arthritis, and cancer are special targets for the quack. Where these diseases have been properly diagnosed, the recommendations of a qualified physician should be followed.

4. No claims for an absolute "cure" rest upon a scientific foundation. Such claims should be checked with a physician, National Arthritis and Rheumatism Foundation, or National Cancer Society.

Redress

If you think that you have dealt with a quack or have purchased a phony medical gimmic, contact the Medical Society of Virginia, 4205 Dover Road, Richmond, VA 23221. Phone: 1-804-353-2721.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

I. HEARING AID RACKET

Description

A type of quackery with particular appeal to older persons involves hearing aid schemes. Salespersons who neither have the skill nor training to test hearing may try to sell hearing aids to senior citizens whether they need them or not.

A salesperson may gain entry into the victim's home by representing that he has a free hearing device for the victim or will give a free hearing test. Once inside the home, he may go to work using machines not even intended for hearing tests. Sometimes, victims buy hearing aids they do not need, or may even buy several hearing aids. Senior citizens have been known to have a drawer full of useless hearing aids.

Tips for Prevention

1. Never buy a hearing aid from a door-to-door salesperson.

2. Always check with your State Hearing Aid Association for the reputation of the dealer.

3. Always receive a thorough hearing examination from a trained audiologist or follow your physician's instructions.

4. The Food and Drug Administration (FDA) has issued final regulations on labeling requirements and conditions under which hearing aids may be sold. The new rules become effective on August 15, 1977 and specify that hearing aids may be sold ONLY to people who have had a medical examination to determine their hearing loss. Persons 18 and over, however, may waive this medical examination although it is recommended that they do not.

Redress

1. First, contact your hearing aid dispenser to seek a solution to the problem.

2. If you receive no remedy, notify the Ethics Committee of your state's Hearing Aid Dealers' and Fitters' Board, 2-S. 9th St., Richmond, VA 23704. Phone: 1-804-786-2161.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

J. PHONY OFFICIAL INVESTIGATORS

Description

These schemes, and variations of them, happen not only to those receiving social security, but to those who are recipients of welfare checks, food stamps, pension and retirement checks. "Con artists" use all the methods they can, including the "fear/sell" technique. A recipient can be scared into thinking that benefits will be curtailed unless they "follow all instructions" given by a "con artist," who is probably posing as an investigator or inspector for one of these agencies. An example of the method of this type of fraud follows:

Example: The "con artist" watches for a potential victim, usually an elderly lady walking home from the grocery store, on the presumption that she already cashed her government check. The "con artist" appears at her door claiming to represent the Social Security Administration. He tells her that under a new provision of social security, she is entitled to $15 additional benefits per month. This is an excuse to get in the front door. The con artist then gives her a fake form to complete. Sometime during his stay in her house, he requests a drink of water, or makes some other excuse to get the victim to leave the room. While the victim is out of the room filling out the fake form, the con artist had the time to "case" her house, or look around for items of value. Sometimes when the victim leaves the room he takes the goods and leaves.

In many of these cases, the con artist has made sure the victim will not call the police. To do this, he memorizes the victim's telephone number before leaving the house. Then the victim gets a telephone call from the con artist, who is impersonating a police officer with a disguised voice. The victim is told by this "police officer" that someone reported a man leaving her home with valuables and that he is calling to confirm or deny this. He then assures the victim that the police are aware of what has happened and will do everything they can to apprehend the suspect. Confident in this knowledge, the victim probably will not call the police since he believes they are already investigating.

Tips for Prevention

1. Always ask for identification if ever approached by a so-called "inspector" and then call the "inspector's" home office and ask to speak to his supervisor and verify that they have sent an agent. The Social Security Administration has said that it is extremely rare for an agent to visit a recipient. When such a visit does occur, prior contact by phone is usually made.

2. An important fact to remember--there are many government checks that are issued at the same time each month. The con artists know when those days are, and recipients should attempt to be extra careful.

3. Social Security checks can now be mailed directly to any bank when application is made to do so. Ask a bank for Standard Form 233, which is called "Power of Attorney by Individual to a Financial Organization for the Collection of Checks Drawn on the Treasurer of the United States." After it is completed and signed, send it to the Social Security Administration to have them mail the checks directly to the bank.

   Some persons do not use banking services because of the costs involved. It is important to note that many banks are now offering free accounts to persons over 62 years of age. It is much cheaper and safer to write checks for bills and mail them rather than paying in person with cash or money orders.

4. One should always keep a record of checks received just in case they are lost or stolen. In a special place, a list should be kept of each check--who it's from, the date, and the amount.

Redress

Contact your Social Security Office, Veterans Administration Office, or local welfare office if one of these phony "representatives" approaches you in the above way. If they, in fact, have not sent an official representative, then immediately contact your local police department.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

K. HOME IMPROVEMENTS AND REPAIRS SCHEMES

Description

Some $15 million are lost by Americans each year through home improvement frauds. Itinerant home improvement and repair swindlers "swarm" during spring and summer months. They can be spotted in several ways:

1. Their truck is often unmarked. If their truck does have a name on the panel, look in your phone book to see if it is listed.

2. Some home improvement and home repair swindlers pose as "inspectors" for the city or for a utility company; others pose as representing a known reputable home improvement contractor in your area.

   They come to check your heating or air conditioning and end up disassembling or damaging the unit. The energy crisis also has provided them with a sales pitch in terms of saving energy and lowering heating costs. Phony "tree trimmers" say that a nearby tree is rotten and about to fall on your house, or "termite inspectors" claim to have found termites that are about to undermine your house, or "fire inspectors" will attempt to sell you a fire alarm system, and "security specialists" will try to sell you a burglar or a security alarm. Some of these gadgets never even arrive after being paid for, and many don't work. Most of these phony inspectors have one thing in common. They use fear and scare tactics to sell you on their product or service.

3. A favorite pitch, and one that many people fall for, is that they "just happened to be in the neighborhood" and that they have materials left over from another job, and will be willing to fix your room, driveway or other job at cut-rate prices.

4. Legitimate home improvement contractors are almost always so busy that they never have to solicit business at your door. They wait to be contacted first. Anytime a home improvement or repair firm shows up and you have not called them first, they are probably swindlers.

Tips for Prevention

1. On home repair jobs, particularly the large ones, ask for bids. Get at least three. Get a breakdown on the bids as to what is included, who is to do the work, when it is to be finished, how much will be charged, when the bill has to be paid.

2. Don't hurry. It is a common sales technique to make every deal sound like a once in a lifetime opportunity that won't be here tomorrow, and to get your name on a contract at the first meeting. Again, don't hurry. Give yourself time--time to look around, to check with someone, and time to think about the deal. This will eliminate much impulse buying upon which fraud depends and help prevent you from making a costly mistake.

3. Never sign an agreement to have work done on your house without very carefully reading the contract. Have an attorney or at least someone you trust read over any such contract first. Remember you may be signing away your home for work that was never done or poorly done.

4. If any person comes to your door uninvited, posing as a city inspector or inspector for a utility company or representative of a reputable local home improvement contractor, first ask to see their identification and then, with their identification in hand, tell them that you want to call their home office and talk to their supervisor. If they hesitate--you're right. You have spotted a phony.

5. Check with your county government to learn if home improvement contractors are licensed. If so, you can then ask to see their county identification. If a firm does over $200,000 business annually in Virginia, it must be licensed by the State Board of Contractors.

6. Home improvement swindlers can actually wreck your home by spreading a combination of old axle grease and lamp black on your roof. They have been known to use this same mixture on a person's driveway in the next block to "fix" that too.

7. Never let a person check something in or around your house without going with that person. Such swindlers have been known to remove a furnace part and otherwise damage a home just to show that you need them to fix it.

8. Never pay in advance for any contract and only pay by check if possible.

9. Under Federal law and Virginia State Law (Home Solicitation Sales Act), there is a three-business day period during which you can cancel a contract made as the result of a door-to-door salesperson. The contract must contain this information about how to cancel (See "door-to-door salespersons description" on pages 19 and 20).

Redress

1. Contact your local building department and police department immediately. Time is very important. If you can, give them the license number and description of the truck or car used and a description of the swindler.

2. If you have written a check for payment, telephone your bank and stop payment on your check immediately as phony home improvement contractors are known to cash checks immediately after conning their victims. After telephoning your bank to stop payment on the check, you must follow-up with a written letter to your bank again requesting stop payment on your check.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219
   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (See Appendix for Address and Telephone Number)

VII. GENERAL POINTS TO REMEMBER TO AVOID BEING DEFRAUDED

1. Know your dealer or seller. If you don't know, find out who he is. You can do this by calling your nearest Better Business Bureau or state or local Consumer Affairs Office to see if he is reputable and if there are any complaints against him.

   It is usually preferable to consult your Better Business Bureau before you have acted (bought something) and your consumer fraud bureau both before and after you have been unfairly treated and are seeking redress.

2. Don't hurry. It is a common sales technique to make every deal sound like a once in a lifetime opportunity that won't be here tomorrow, and to try to get your name on a contract at the first meeting. Don't hurry. Give yourself time--time to look around, to check with someone, and to think about the deal. This will eliminate much impulse buying upon which fraud depends and help prevent you from making a costly mistake.

3. On home repair jobs, particularly the larger ones, ask for bids. Get at least three. Get a breakdown on the bids as to what is included, who is to do the work, when it is to be finished, how much will be charged, and when the bill has to be paid.

4. Beware of "too-good-to-be-true bargains" and promises. If it sounds too good to be true, it usually isn't good or true.

5. Be sure to read what you are signing. Despite the seller's claim to the contrary, there is no such thing as "a standard contract" or "bank contract" or "bank rates." Each contract is different, and the fine print may contain clauses which could wreck you financially. If you can't understand the language of the contract, ask a friend or lawyer to read it for you. Beware of any dealer who refuses or even hesitates to let you do this.

6. Never sign a blank contract to be filled in later. You'd be surprised what terrible things can be filled in later. And particularly be careful in signing multiple (carbon) copies, as sometimes the underneath copy is not a carbon at all, but something else.

VIII. GENERAL POINTS TO REMEMBER CONCERNING REDRESS

1. If you think that you have been treated unfairly by a dealer, first give him an opportunity to explain what has happened or a chance to rectify the mistake. Most sellers, if you approach them politely but firmly, will make an effort to correct the mistake if any has been made.

   If he does not do so, and you still think that you have been treated unfairly, call your Consumer Affairs Office and ask them to investigate the matter, AND to keep you informed of the results. (If you do not ask to be kept informed of the results, you may not be.)

2. In addition to the Better Business Bureaus, state and local consumer offices, bunco divisions of local police departments, Attorney General offices and District Attorney offices, there is also the Small Claims Courts. In a Small Claims Court (called "Court Not of Record" in Virginia) there is no need to hire an attorney; you simply file a petition for a $5 fee, appear before a judge at a set time, and state your case. He will pass judgment on the case, and if you have won, you will recover the amount due you and the guilty party must pay all court costs.

   You can arrange to have witnesses subpoeaned before the Small Claims Court ("Court Not of Record"), but you must pay for their costs of appearing. If you win your case, however, the guilty party must pay for these costs as well as any other costs involved.

3. Also, anyone who feels that he or she may have been swindled should determine if the mails have been used whether through advertising brochures received by mail or even the clearing of a check. In such a case, the matter should be brought to the attention of Postal Department inspectors. Since magazines and newspapers containing advertising or other information on a fraudulent scheme go through the mails in some cases, this also would bring it within the jurisdiction of the Postal authorities.

   However, the U.S. Postal Service has no authority to recover your money or property, nor to take any action to adjust an unsatisfactory transaction. Where there is evidence of a violation of the postal laws, the matter is presented to a U.S. Attorney for criminal prosecution.

4. Be sure to keep fastened together all receipts, cancelled checks, contracts and other written agreements pertaining to a single purchase. When filing a report or complaint, send copies of these documents or, if the originals are requested, keep at least one copy.

IX. PRESENTATION PLANS

A. SINGLE SESSION PRESENTATION METHOD WITH "USER GUIDE"

TO THE LEADER:

This is a structured discussion approach for a 30-minute session covering the "Consumer Frauds and Deceptions" module, to be used with the "User Guide." The first column, "Section," indicates the part of the module to be covered. The "Preparation" column recommends procedures to help you prepare for the presentation. The "Activity" column suggests how you might lead a discussion on each topic. The "Time" column suggests how many minutes should be spent on that particular section in order to cover all of the material in 30 minutes. Be especially careful not to exceed the time limit suggestions in the "Time" column (unless you take equivalent time away from another part). Otherwise, you will not accomplish all of the goals for the session

Section	Preparation (To Be Done Ahead of Time)	Activity	Suggested Time (Minutes)
Introduction	Read again the materials which have been provided which describe this module i.e., its purpose, objectives, as well as the suggestions for leading a group discussion of older persons.	Introduce yourself. If the group is small, ask them to introduce themselves.	2
Introduce the topic including background on Consumer Frauds and Deceptions	Review Background on Consumer Frauds and Deceptions (p. 10).	Discuss general background information on Consumer Frauds and Deceptions. Perhaps read aloud the first paragraph on p. 10 to them.	3
"User Guide"	Read and understand in advance how you plan to describe the "User Guide" and its use (pp. 1-2).	Ask the group to look at their "User Guide." Tell them that you are now going to show some slides of specific frauds and ask them: "CAN YOU IDENTIFY ANY WHICH HAVE HAPPENED TO YOURSELF OR TO SOMEONE YOU KNOW? IF YOU DO 'SPOT' ANY WHICH HAVE HAPPENED, PLEASE CHECK THE SPECIFIC FRAUD ON THE 'USER GUIDE'." (cont.)	2

Section	Preparation	Activity	Suggested Time (Minutes)
		"PLEASE MAKE TWO CHECKS BESIDE THE ONE FRAUD OR DECEPTION YOU WOULD LIKE TO KNOW MORE ABOUT."	
Slide Presentation.	Make certain that you have already previewed the slides and tape to ensure that they are in proper sequence, have been placed in the carousel correctly and that both slide projector and tape recorder are functioning and are in sync.	Show the Slide/Tape presentation.	7
"User Guide"	Review "User Guide" itself as well as the instructions for its use (pp. 1-2).	Say, "AS YOU VIEW THE SLIDE/TAPE PRESENTATION, PLEASE TAKE YOUR 'USER GUIDE' AND PUT A CHECK NEXT TO ANY FRAUD YOU CAN IDENTIFY WHICH HAS HAPPENED TO YOURSELF OR TO SOMEONE YOU KNOW. PLEASE MAKE TWO CHECKS BESIDE THE ONE FRAUD OR DECEPTION YOU WOULD LIKE TO KNOW MORE ABOUT."	2
After Slide Presentation (Discussion).	1. Review the frauds (pp. 11-37). 2. Review suggestions for leading the discussion on pp. 5-6. 3. Keep in mind that there are 12 specific kinds of frauds. 4. Review "General Points to Remember to Avoid Being Defrauded" (p. 38). 5. Review "General Points to Remember Concerning Redress" (p. 39).	Suggested questions to help you review in more detail some of the frauds and deceptions: 1. "WERE ANY OF YOU ABLE TO IDENTIFY ANY OF THE SLIDES? THAT IS, HAVE YOU OR ANYONE YOU KNOW BEEN VICTIMIZED BY ANY ONE OF THESE? WHAT HAPPENED? WHEN? WHERE?" If no response, ask: 2. "THOSE WHO MARKED ANY OF THE FIRST THREE FRAUDS ON THE 'USER GUIDE' PLEASE RAISE YOUR HAND." (cont.)	10

Section	Preparation	Activity	Suggested Time (Minutes)
		3. "CAN ANYONE DESCRIBE AN EXPERIENCE SIMILAR TO THE ONE WHICH HAPPENED IN THE SLIDE/TAPE PRESENTATION?" 4. "WHAT WAS THE OUTCOME?" 5. "WHAT TIPS COULD YOU OFFER NOW TO PREVENT THIS SITUATION FROM OCCURRING AGAIN?" 6. "DOES ANYONE ELSE HAVE ANY SUGGESTIONS OR TIPS THAT THEY HAVE FOUND EFFECTIVE IN THIS KIND OF SITUATION OR SIMILAR SITUATION?" General situations are wanted; it does not have to be for that exact exeprience mentioned. 7. "IF YOU FEEL THAT YOU HAVE BEEN VICTIMIZED, WHAT WOULD YOU DO ABOUT IT AND WHO WOULD YOU CONTACT?"	
Summary Wrap-Up with "User Guide"	1. Review "General Points to Remember to Avoid Being Defrauded" (p. 38). 2. Review "General Points to Remember Concerning Redress" (p. 39). 3. Make a list in advance of the key points you want to have summarized based on the 4 objectives on p. 9.	Suggested questions to help you summarize the important points of the session: 1. "WHAT WERE THE 2 OR 3 MOST IMPORTANT THINGS THAT YOU GAINED FROM THIS SESSION?" 2. "LOOK AT YOUR 'USER GUIDE' FOR ADDITIONAL TIPS TO PREVENT BEING DEFRAUDED OR DECEIVED." 3. "TAKE THE 'USER GUIDE' HOME WITH YOU AND KEEP IT IN A PLACE WHERE YOU CAN EASILY FIND IT."	4
Conclusion/ Adjournment		"THANK YOU"	

B. SECOND SESSION PRESENTATION METHOD WITH "USER GUIDE"

TO THE LEADER:

This is a structured discussion approach for the second 30-minute session covering the "Consumer Frauds and Deceptions" module, to be used with the "User Guide." The first column, "Section," indicates the part of the module to be covered. The "Preparation" column recommends procedures to help you prepare for the presentation. The "Activity" column suggests how you might lead a discussion on each topic. The "Time" column suggests how many minutes should be spent on that particular section in order to cover all the material not covered in the first session in 30 minutes. Be especially careful not to exceed the time limit suggestions in the "Time" column (unless you take equivalent time away from another part). Otherwise, you will not accomplish all of the goals for the session.

Section	Preparation (To Be Done Ahead of Time)	Activity	Suggested Time (Minutes)
Introduction	Read the content material on those frauds that you did not include in the first session as well as suggestions for leading a group discussion of older persons.	Re-introduce yourself. If the group is small, ask them to introduce themselves.	2
Audience Re-Orientation--"User Guide"	Review the frauds (pp. 11-37) including the ones that you talked about during the first session. Read and understand in advance how you plan to describe the "User Guide" and its use (pp. 1-2).	Reorient the group to what was done in the first session and ask them to look at their "User Guides" for helpful information. Then review the learning objectives (p. 9) with the group asking them questions: 1. "WHAT ARE THE MOST COMMON KINDS OF CONSUMER FRAUDS AND DECEPTIONS WHICH PREY ON OLDER PERSONS?" 2. "HOW DO THESE FRAUDS AND DECEPTIONS APPEAL OR APPROACH OLDER PERSONS?" 3. "HOW CAN YOU AVOID BEING TAKEN IN BY THESE FRAUDS AND DECEPTIONS?" (cont.)	5

Section	Preparation	Activity	Suggested Time (Minutes)
		4. "WHERE WOULD YOU GO TO GET HELP IF YOU FELT YOU HAD ALREADY BEEN TAKEN?"	
Discussion	Make certain that you have carefully reviewed details of the specific kinds of consumer frauds as well as suggestions for leading the discussion. Watch time carefully here. 1. Review the frauds (pp. 11-37). 2. Review suggestions for leading the discussion on pp. 5-6. 3. Keep in mind that there are 12 specific kinds of frauds. 4. Review "General Points to Remember to Avoid Being Defrauded (p. 38). 5. Review "General Points to Remember Concerning Redress" (p. 39).	Tell them that you are now going to discuss other frauds that you did not get the opportunity to during the first session. Tell them "LET'S NOT SPEND MORE THAN 4 OR 5 MINUTES ON EACH FRAUD SINCE WE ONLY HAVE ABOUT 20 MINUTES." Suggested questions to help you review in more detail some of the frauds and deceptions: 1. "HAVE YOU OR ANYONE YOU KNOW BEEN VICTIMIZED BY ANY ONE OF THESE FRAUDS? WHEN? WHERE?" If no response, then ask: 2. "CAN SOMEONE DESCRIBE AN EXPERIENCE LIKE WE DISCUSSED AT OUR LAST MEETING? TAKE ONE FRAUD AND TELL US WHAT HAPPENED." 3. "WHAT WAS THE OUTCOME? WHAT DID YOU DO ABOUT IT?" 4. "WHAT TIPS COULD YOU OFFER NOW TO PREVENT THIS SITUATION FROM OCCURRING AGAIN?" 5. "DOES ANYONE ELSE HAVE ANY SUGGESTIONS OR TIPS THEY HAVE FOUND EFFECTIVE IN THIS KIND OF SITUATION OR SIMILAR SITUATION?" General situations are wanted; it does not have to be for that experience mentioned. (cont.)	20

Section	Preparation	Activity	Suggested Time (Minutes)
		6. "IF YOU FEEL THAT YOU MAY HAVE BEEN VICTIMIZED, WHAT WOULD YOU DO ABOUT IT AND WHO WOULD YOU CONTACT?"	
Summary Wrap-Up with "User Guide"		Suggested questions to help you summarize the important points of the section: 1. "WHAT WERE THE 2 OR 3 MOST IMPORTANT THINGS THAT YOU GAINED FROM THIS SESSION?" 2. "LOOK AT YOUR 'USER GUIDE' FOR ADDITIONAL TIPS TO PREVENT BEING DEFRAUDED." 3. "TAKE THE 'USER GUIDE' HOME WITH YOU AND KEEP IT IN A PLACE WHERE YOU CAN EASILY FIND IT."	3
Conclusion/ Adjournment		"THANK YOU"	

C. SINGLE SESSION PRESENTATION METHOD WITHOUT "USER GUIDE"

TO THE LEADER:

The following presentation plan is a suggested approach for a 30-minute presentation covering the "Consumer Frauds and Deceptions" module. The first column, "Section," indicates the part of the module to be covered. The "Preparation" column recommends procedures to help you prepare for the presentation of the material. The "Activity" column tells you what you should do with or for the group. The "Time" column suggests how many minutes should be spent on that particular section in order to cover all of the material in 30 minutes. Be especially careful not to exceed the time limit suggestions in the "Time" column unless you take equal time away from another part. Otherwise, you will not accomplish all of the goals for the session.

Section	Preparation (To Be Done Ahead of Time	Activity	Suggested Time (Minutes)
Introduction	Read again the materials which describe this module, i.e., its purpose, objectives, and both background and specific information on consumer frauds as well as the suggestions for leading a group discussion of older persons.	Introduce yourself. If the group is small, ask them to introduce themselves.	2
Introduce the topic including background in Consumer Frauds and Deceptions.	Review "Background on Consumer Frauds and Deceptions" (p. 10).	Discuss the general background information on Consumer Frauds and Deceptions. Perhaps read aloud the first paragraph on p. 10 to them.	3
Discussion	Review the frauds on pp. 11-37 and make a list. You may get someone in advance that will describe a fradulent situation or plan a role-play situation where one person acts as the defrauder and another the victim.	List the 12 frauds on a flip chart, chalkboard, newsprint or something similar. Read them aloud to the audience and give a very brief description of each fraud. In addition to the list you may want to have role playing or a fraud description.	5

Section	Preparation	Activity	Suggested Time (Minutes)
Description of specific kinds of frauds, how they operate, where to find assistance in helping to avoid being victimized and where to seek help if already victimized.	Bear in mind that there are 12 specific kinds of frauds included. You will not likely be able to cover all of them. Watch time carefully here. Try to cover 4 or 5.	Suggested questions to help you review in more detail some of the frauds and deceptions. 1. "HAVE YOU OR ANYONE YOU KNOW BEEN VICTIMIZED BY ANY ONE OF THESE FRAUDS? WHAT HAPPENED? WHEN? WHERE?" If no response, then describe a fraud that happened to someone you know or read one of the examples provided on pp. 11-37. 2. "WHAT WOULD YOU DO IF THIS HAPPENED TO YOU?" 3. "CAN ANYONE RELATE AN EXPERIENCE SIMILAR TO THE ONE DESCRIBED?" 4. "DO YOU HAVE ANY SUGGESTIONS OR TIPS THAT YOU HAVE FOUND EFFECTIVE IN THIS SITUATION OR SIMILAR SITUATION?" 5. "WHAT SOURCES OF HELP CAN YOU THINK OF IF YOU FEEL YOU HAVE BEEN TAKEN?"	15
Summary Wrap-Up	1. Review "General Points to Remember to Avoid Being Defrauded" (p. 38). 2. Review "General Points to Remember Concerning Redress" (p. 39). 3. Make a list in advance of the key points you want to have summarized based on the 4 objectives on p. 9.	Suggested questions to help you summarize the important points of the session: 1. "WHAT WERE THE 2 OR 3 MOST IMPORTANT THINGS THAT YOU GAINED FROM TODAY'S SESSION?" 2. "WHAT GENERAL TIPS CAN YOU SUGGEST TO PREVENT FRAUDS FROM HAPPENING TO YOU?" 3. "WHAT SHOULD YOU DO IF YOU OR SOMEONE YOU KNOW HAS BEEN DEFRAUDED?"	5
Conclusion/ Adjournment		"THANK YOU"	

D. SECOND SESSION PRESENTATION METHOD WITHOUT "USER GUIDE"

TO THE LEADER:

The following presentation plan is a suggested approach for two 30-minute presentations covering the "Consumer Frauds and Deceptions" module. The first column, "Section," indicates the part of the module to be covered. The "Preparation" column recommends procedures to help you prepare for the presentation of the material. The "Activity" column tells you what you should do with or for the group. The "Time" column suggests how many minutes should be spent on that particular section in order to cover all of the material not covered in the first session in 30 minutes. Be especially careful not to exceed the time limit suggestions in the "Time" column unless you take equal time away from another part. Otherwise, you will not accomplish all of the goals for the session.

Section	Preparation (To Be Done Ahead of Time)	Activity	Suggested Time (Minutes)
Introduction	Read the content material on those frauds that are not included in the first session as well as the suggestions for leading a group discussion for older persons.	Re-introduce yourself. If the group is small, ask them to introduce themselves.	2
Audience Re-Orientation	Review the frauds (pp. 11-37) including the ones that you talked about during the first session.	Reorient the group to what was done in the first session and review learning objectives (p. 9) by asking them questions: 1. "WHAT ARE THE MOST COMMON KINDS OF CONSUMER FRAUDS AND DECEPTIONS WHICH PREY ON OLDER PERSONS?" 2. "HOW DO THESE FRAUDS AND DECEPTIONS APPEAL TO OR APPROACH OLDER PERSONS?" 3. "HOW CAN YOU AVOID BEING TAKEN BY THESE FRAUDS AND DECEPTIONS?" 4. "WHERE WOULD YOU GO TO GET HELP IF YOU FELT YOU HAD ALREADY BEEN TAKEN?"	6

Section	Preparation	Activity	Suggested Time (Minutes)
Description of specific kinds of frauds, how they operate, where to find assistance in helping to avoid being victimized and where to seek help if already victimized.	Make certain that you have carefully reviewed details of the specific kinds of consumer frauds as well as suggestions for leading the discussion. Watch time carefully here. 1. Review the frauds (pp. 11-37). 2. Review suggestions for leading the discussion on pp. 5-6. 3. Keep in mind that there are 12 specific kinds of frauds. 4. Review "General Points to Remember to Avoid Being Defrauded (p. 38). 5. Review "General Points to Remember Concerning Redress" (p. 39).	Tell them that you are now going to discuss other frauds that you did not get the opportunity to during the first session. Tell them "LET'S NOT SPEND MORE THAN 4 OR 5 MINUTES ON EACH FRAUD SINCE WE ONLY HAVE ABOUT 17 MINUTES." Suggested questions to help you review in more detail some of the frauds and deceptions: 1. "HAVE YOU OR ANYONE YOU KNOW BEEN VICTIMIZED BY ANY ONE OF THESE FRAUDS? WHAT HAPPENED? WHEN? WHERE?" If no response, then tell about a fraud that happened to someone you know OR read one of the examples provided on pp. 11-37. Then ask: 2. "WHAT WOULD YOU DO IF THIS HAPPENED TO YOU?" 3. "CAN ANYONE RELATE AN EXPERIENCE SIMILAR TO THE ONE DESCRIBED?" 4. "DO YOU HAVE ANY SUGGESTIONS OR TIPS THAT YOU HAVE FOUND EFFECTIVE IN THIS SITUATION OR SIMILAR SITUATION?" General situations are wanted; it does not have to be for that experience mentioned. 5. "IF YOU FEEL THAT YOU MAY HAVE BEEN VICTIMIZED, WHAT WOULD YOU DO ABOUT IT AND WHO WOULD YOU CONTACT?"	17

Section	Preparation	Activity	Suggested Time (Minutes)
Summary Wrap-Up	1. Review "General Points to Remember to Avoid Being Defrauded (p. 38). 2. Review "General Points to Remember Concerning Redress" (p. 39). 3. Make a list in advance of the key points you want to have summarized based on the 4 objectives on p. 9.	Suggested questions to help you summarize the important points of the session: 1. "WHAT WERE THE 2 OR 3 MOST IMPORTANT THINGS THAT YOU GAINED FROM TODAY'S SESSION?" 2. "WHAT GENERAL TIPS CAN YOU SUGGEST TO PREVENT FRAUDS FROM HAPPENING TO YOU?" 3. "WHAT SHOULD YOU DO IF YOU OR SOMEONE YOU KNOW HAS BEEN DEFRAUDED?"	5
Conclusion/ Adjournment		"THANK YOU"	

X. SOURCES OF FURTHER REFERENCE

For additional reading and information on Consumer Frauds and Deceptions, see any one or more of the following references. Many of these are probably available in your local school, college, or public library.

Books

CARLSON, Margaret B. with Ronald G. Shafer, How to Get Your Car Repaired Without Getting Gypped.

EPSTEIN, David G., Consumer Protection in a Nutshell, St. Paul, Minn.: West Publishing Co., 1976.

MARGOLIUS, Sidney, The Innocent Investor and the Shaky Ground Floor, New York: Trudent Press, 1971.

NADER, Ralph, Lowell Dodge and Ralf Hotchkiss, What to Do With Your Bad Car, New York: Grossman Publishers, Inc., 1970.

SCHRAG, Philip G., Counsel for the Deceived: Case Studies in Consumer Fraud, New York: Pantheon Books, 1972.

STURDIVANT, Frederick D., The Ghetto Marketplace, New York: The Free Press, 1969.

WRIGHTER, Carl P., I Can Sell You Anything, New York: Ballantine Books, 1972.

Articles

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"Got a Complaint? Call Your State Consumer Office," Changing Times, vol. 29, no. 4 (April, 1975), pp. 43-46.

"Help for Consumers: Government Agencies," Today's Health 52 (April, 1974), pp. 64-65.

"Here Come the Home-Repair Gyps: Protect Yourself," Changing Times, vol. 28, no. 7 (July, 1974), pp. 45-47.

"How to Protect Yourself From Home-Improvement Frauds," Good Housekeeping 178 (March, 1974), pp. 155-156.

KNAUER, Virginia H., "Consumer Action Panels: How They Work For You," Better Homes and Gardens 53 (May, 1975), pp. 22-23.

LANGER, H.J., "Franchise Frauds and How to Avoid Them," Retirement Living 16 (July, 1976), pp. 36-39.

MAYER, A. and W. Schmidt, "Biggest Fraud Yet? Land Fraud in Florida," Newsweek 85 (May 26, 1975), pp. 69-70.

"Nine Kinds of Fraud That Come in the Mail," Changing Times, vol. 30, no. 2 (February, 1976), pp. 23-25.

ROLLINS, N.G., "Latest Consumer Frauds: Don't You Get Ripped Off," Good Housekeeping 183 (July, 1976), pp. 155-156.

SCHISGALL, O., "Don't Play These Confidence Games. Widows and Elderly as Victims," Reader's Digest 109 (December, 1976), pp. 41-42.

"Small Claims Courts Aren't Doing Their Job," Changing Times, vol. 27, no. 4 (August, 1973), pp. 41-43.

Organizations

These are addresses of private, federal, state and local organizations that supply materials and information on consumer problems.

Private

Auto Consumer Action Panel, 8400 West Park Drive, McLean, VA., 22101.

Carpet and Rug Institute Consumer Action Panel, P.O. Box 2048, Dalton, GA., 30720.

Direct Mail Marketing Association, Inc., 6 E. Forty-third Street, New York, NY, 10017.

Direct Selling Association, 1730 M Street, N.W., Washington, DC, 20036.

Furniture Industry Consumer Advisory Panel, P.O. Box 951, High Point, NC., 27261.

Insurance Consumer Action Panel, National Association of Mutual Insurance Agents, 1511 K Street, N.W., Washington, DC., 20005.

International Franchise Association, 7315 Wisconsin Avenue, Bethesda, MD., 20014.

Major Appliance Consumer Action Panel, Complaint Exchange, Room 1514, 20 North Wacker Drive, Chicago, IL., 60606.

National Advertising Review Board, 850 Third Avenue, New York, NY., 10022.

National Home Improvement Council, 11 E. Forty-fourth Street, New York, NY., 10017.

Office of Interstate Land Sales Registration, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, DC., 20410.

Federal

Bureau of Consumer Protection, Federal Trade Commission, 6th Floor, 2120 L Street, N.W., Gelman Building, Washington, DC., 20037.

Consumer Product Safety Commission, Washington, DC., 20207.

Federal Trade Commission, 6th Street and Pennsylvania Avenue, N.W., Washington, D.C., 20580.

Food and Drug Administration, 5600 Fisher's Lane, Rockville, MD., 20852.

Office of Consumer Affairs, Department of Health, Education and Welfare, Washington, DC., 20201.

Securities and Exchange Commission, 500 N. Capitol Street, Washington, DC., 20549.

U.S. Postal Inspection Service, Washington, DC., 20260.

U.S. Congressman or Senator, Senate Office Building, House Office Building, Washington, DC., 20510.

State

Attorney General's Office, 110 E. Broad Street, Richmond, VA., 23219.

Office of Consumer Affairs, Virginia Department of Agriculture and Commerce, 825 E. Broad Street, P.O. Box 1163, Richmond, VA., 23219.

State Legislator, Virginia State Capitol, Capitol Square, Richmond, VA., 23219.

Virginia Citizens Consumer Council, P.O. Box 777, Springfield, VA., 22150.

Northern Virginia Chapter, Box 777, Springfield, VA., 22150

Richmond Chapter, Box 5462, Richmond, VA., 23220.

Roanoke Chapter, Box 7281, Roanoke, VA., 24019.

Local

Area Agencies on Aging:

Planning and Service Area 1: Mountain Empire Older Citizens, 117 Main Street, P.O. Box 1097, Wise, VA., 24293.

Planning and Service Area 2: Appalachian Agency for Senior Citizens, Box S.V.C.C., Richlands, VA., 24641.

Planning and Service Area 3: Mount Rogers Governmental Cooperative, 110 Strother Street, Marion, VA., 24354.

Planning and Service Area 4: New River Valley Agency on Aging, 143 Third Street, N.W., Pulaski, Va., 24301.

Planning and Service Area 5: League of Older Americans, 401 Campbell Avenue, S.W., Roanoke, VA., 24016.

Planning and Service Area 6: Valley Program for Aging Services, Inc., P.O. Box 817, Waynesboro, VA., 22980.

Planning and Service Area 7: Shenandoah Area Agency on Aging, Inc., Route 1, Box 329-A, Winchester, VA., 22601.

Planning and Service Area 8-A: Alexandria Area Agency on Aging, 115 North Patrick Street, Alexandria, VA., 22314.

Planning and Service Area 8-B: Arlington Area Agency on Aging, Arlington Court House, Room 204, Arlington, VA., 22201.

Planning and Service Area 8-C: Fairfax County Area Agency on Aging, Office of the County Executive, County of Fairfax, 4100 Chain Bridge Road, Fairfax, VA., 22030.

Planning and Service Area 9: Area Agency on Aging, 138 South Main Street, Culpeper, VA., 22701.

Planning and Service Area 10: Jefferson Area Board for Aging, 415 - 8th Street, N.E., Charlottesville, VA., 22901.

Planning and Service Area 11: Central Virginia Commission on Aging, Forest Hill Center - Linkhorne Drive, Lynchburg, VA., 24503.

Planning and Service Area 12: Piedmont Seniors of Virginia, Inc., 113 Chief Tassal Bldg., Martinsville, VA., 24112.

Planning and Service Area 13: Southside Office on Aging, Inc., Brunswick County Courthouse Bldg., 228 Main Street, Lawrenceville, VA., 23868.

Planning and Service Area 14: Piedmont Senior Resources, P.O. Box 55, Burkeville, VA., 23922.

Planning and Service Area 15: Capital Area Agency on Aging, 6 North Sixth Street, Richmond, VA., 23219.

Planning and Service Area 16: Rappahannock Area Agency on Aging, Inc., P.O. Box 663, Fredericksburg, VA., 22401.

Planning and Service Area 17-18: Northern Neck-Middle Peninsula Area Agency on Aging, Rappahannock Community College, South Campus, Glenns, VA., 23149.

Planning and Service Area 19: Crater District Area Agency on Aging, P.O. Box 1808, Petersburg, VA., 23803.

Planning and Service Area 20: SEVAMP, 16 Koger Executive Center, Suite 145, Norfolk, VA., 23502.

Planning and Service Area 21: Peninsula Agency on Aging, Inc., 944 Denbigh Boulevard, Newport News, VA., 23602.

Planning and Service Area 22: Eastern Shore Community Development Group, Inc., P.O. Box 316, Accomac, VA., 23301.

County and City Consumer Protection Agencies:

Division of Consumer Protection, Room 804, City Hall Bldg., Norfolk, VA., 23501.

Bureau of Consumer Protection, Municipal Center, Virginia Beach, VA., 23456.

Office of Consumer Affairs, City Hall, Newport News, VA., 23607.

Office of Consumer Affairs, 825 E. Broad Street, Richmond, VA., 23219.

Local Better Business Bureaus

Local Legal Aid Societies

PIRG (Student Public Interest Research Groups), located at some University and College campuses.

County Extension Agent

Virginia Polytechnic Institute and State University Extension Services, Blacksburg, VA., 24061.

XI. REACTIONS TO YOUR USE OF THIS MODULE

1. I used this module with the following group of adults: (Please describe)

2. The group's reactions to the modular approach were:

3. My reactions to using this approach are:

4. My suggestions for revisions are:

Please return to:

E. Thomas Garman, Co-Director
Consumer Education for Older Persons
226 Wallace Hall
Virginia Polytechnic Institute and State University
Blacksburg, VA 24061

CONSUMER FRAUDS AND DECEPTIONS

USER GUIDE

NO ONE IS IMMUNE FROM FRAUD.

1. Check those frauds which have happened to you or to someone you know.
2. Check twice the one fraud that you would like to know more about.

____ BANK EXAMINER SCHEME
____ PIGEON DROP SCHEME
____ LAND SALES FRAUDS
____ PYRAMID PROMOTIONAL SCHEMES
____ DOOR-TO-DOOR SALES
____ MAIL ORDER FRAUDS
____ DANCE LESSONS AND HEALTH SPAS
____ MEDICAL QUACKERY
____ HEARING AID RACKET
____ PHONY OFFICIAL INVESTIGATORS
____ HOME IMPROVEMENTS/REPAIRS SCHEMES

GENERAL TIPS ON CONSUMER FRAUDS AND DECEPTIONS:

1. Don't discuss your personal finances with strangers.
2. Beware of bargains which sound too good to be true. They aren't true.
3. Don't draw cash out of a bank at the suggestion of a stranger or friend.
4. Beware of anyone who says to you:
   a. Get rich quick. (If it is easy to get rich quick, why isn't the con artist doing it instead of trying to get you to do it?).
   b. Have I got a deal for you. It's something for nothing. (The something is probably worth nothing).
   c. This is a secret plan. . . (Don't tell anyone. Can we trust you not to tell anyone?)
   d. You must act now. . . and sign here. We can only offer this deal once.
5. If you think you have been cheated, report it immediately.
   a. First--with the person or company who you think might have cheated you.
   b. Then, if you have not gotten your money back, contact one of the agencies listed below.
   c. DON'T DELAY--DO IT RIGHT AWAY. TIME IS IMPORTANT
6. Many of us are ashamed to admit we fell for some phony story. Don't worry about being embarrassed--fraud will probably touch each and every person sometime in his or her lifetime.

FOR FURTHER ASSISTANCE AND INFORMATION CALL OR WRITE:

1. Virginia Office of Consumer Affairs
   P.O. Box 1163
   Richmond, VA 23219

   Toll Free No.: 1-800-552-9963

2. Your Area Agency on Aging
   (Ask the Session Leader for Address and Telephone Number)